

Measuring Progress towards Green Growth through indicators

OECD work

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Measuring progress towards Green growth

OECD approach

- Monitoring progress through indicators at the core of the Green Growth Strategy
- Founded on existing work and experience
- Measurement framework
- Proposed list of indicators
 - No composite indicator, rather a set of indicators
 - Selection of 25 indicators; about 20 measurable now
 - Selection criteria: Policy relevance; Analytical soundness; Measurability
 - A dynamic process $\leftarrow \rightarrow$ feedback from countries, from policy use
- Measurement agenda



Measuring progress towards Green growth

Definition

Fostering economic growth and development while ensuring that the natural assets continue to provide the resources and environmental services on which our well-being relies.

Catalyse investment and innovation which will underpin sustained growth and give rise to new economic opportunities



Measurement framework





- The socio-economic context and characteristics of growth
- Indicators monitoring environmental and resource productivity
- 2 Indicators monitoring the natural asset base
- 3 Indicators monitoring the environmental quality of life
- Indicators monitoring economic opportunities and policy responses

Measurement framework: Themes and subthemes

| The environmental and resource productivity of the economy | Carbon and energy productivity Resource productivity: materials, nutrients, water Multi-factor productivity |
|--|--|
| The natural asset base | Renewable stocks: water, forest, fish resources Non-renewable stocks: mineral resources Biodiversity and ecosystems |
| The environmental dimension of quality of life | Environmental health and risks Environmental services and amenities |
| Economic opportunities and policy responses | Technology and innovation Production of environmental goods & services International financial flows Prices and transfers Skills and training Regulations and management approaches |
| Socio-economic context and characteristics of growth | Economic growth and structure Productivity and trade Labour markets Socio-demographic patterns |



The foundations





Climate change (1) 1990-2000: relative decoupling on the production side...but hardly absolute decoupling



Climate change (2) 2000-2009: broad relative decoupling on the production side...some more absolute decoupling



Climate change (3): differences between production and demandbased emissions





Economic opportunities: to date, 'Green industries' represent a modest share of the economy...



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...many measurement and data issues remain... (1)

- Getting the indicators right
 - Balance between 'green' and 'growth'
 - Relevance for policy analysis/evaluation, for communication
 - Relevance for international work, for countries
- Improving the quality of measurement
 - Importance of consistent accounting system to combine economic and environmental data (\rightarrow SEEA)
- Filling gaps
 - Sectoral data → structural changes
 - Measuring natural assets (stocks, flows)
 - physical values: biodiversity; land use; mineral resources
 - monetary values
 - Measuring material flows and resource productivity



...many measurement and data issues remain... (2)

- Filling gaps
 - Measuring innovation and investment
 - Measuring the "greening" of economic sectors
 - Monitoring regulatory approaches
 - Measuring health and risks \rightarrow economic impacts
- Embed green growth measurement into existing growth accounting frameworks and productivity measures
- Identify a small set of headline indicators



Next steps

- CSTAT (16-17 June 2011); WPEI (15-17 November 2011)
- Refine indicator set
- Identify headline indicators
 - Small task force: correlation, criteria
 - Coordination with UNEP GE indicators
- Contribute to SEEA implementation
 - Land; non-energy and energy mineral resources
 - Timber resources
- Extended growth accounting
 - Growth contributions of natural assets
 - Valuation of land and selected natural resources
- Mainstream GG in country studies and in policy analysis (Going for growth)
- Next report end 2012-Q1 2013

